2	15. General Administration, State Loan—Bank commission and contingencies	41,615	As the terms and conditions for the repayment of the 5 per cent loan and the floatation of the 3 per cent loan had not been decided upon, the expenditure connected with these could not be provided in full. Only a lump sum of Rs. 30,000 had been provided tentatively. Hence the additional allotment had to be urgently sanctioned to meet all the connected items of expenditure.

House adjourned for lunch at 1-30 p.m. and reassembled at 2-30 p.m. with the Deputy President in the Chair

SUPPLEMENTARY GRANTS

1. Rs. 1,000 under "5—Co-operative Societies—Contingencies—Miscellaneous"

Mr. T. K. Nayar *(Minister for Rural Development)*: Sir, I move for an additional allotment of Rs. 1,000 under "5—Co-operative Societies—Contingencies—Miscellaneous". The term of the Co-operative Enquiry Committee has been extended till the end of the year 1943. There is no allotment to meet this item of expenditure. Hence an additional allotment of Rs. 1,000 is necessary under the above head. I request the House may be pleased to grant this allotment.

Mr. C. J. Mathew *(Joint Secretary to Government)*: I second the motion.

Mr. A. V. Moothedan *(Chalakkudi)*: Is the Committee working still?

Mr. T. K. Nayar *(Minister for Rural Development)*: The term of the Committee has been extended till the end of 1943. This is December. I expect the report within the limited time.

Demand put and carried

2. Rs. 767 under "33—Industries—Transferred—G. T. School—Miscellaneous"

Mr. T. K. Nayar *(Minister for Rural Devlopment)*: I move for an additional allotment of Rs. 767 under "33—Industries—Transferred—Government Trades School, Trichur, Miscellaneous". The Government Trades School, Trichur, is now being conducted in a rented building. There is no budget provision for the payment of rent. An additional allotment of Rs. 767 is therefore necessary for payment of rent this year under the above head.

Mr. C. J. Mathew *(Joint Secretary to Government)*: I second it.

Demand put and carried

3. Rs. 750 under "38—E. Income-tax—Contingencies"

Rama Varmha Tampuran *(Secretary to Government)*: Sir, I move for an additional allotment of Rs. 750 under "38-E—Income-tax contingencies—Law charges". This amount is required to pay the fee due to the Advocate-General of Madras on a reference made to him in connection with an income-tax appeal case. I request that the amount may kindly be sanctioned.

Mr. A. B. Salem *(Mattancheri)*: May I know, Sir, what the nature of the appeal or reference is?

Rama Varmha Tampuran *(Secretary to Government)*: One of the merchants here who has been assessed for income-tax and super-tax left the State all on a sudden to his native place somewhere in Kathiawar and the question arose whether there is any remedy against him. On that a reference was made whether we could sue him in Kathiawar or in Bombay or wherever else he has assets outside the State. On that question a reference had to be made to the Advocate-General of Madras.

Mr. A. B. Salem *(Mattancheri)*: Had he assets in Cochin?

Rama Varmha Tampuran *(Secretary to Government)*: The assets in Cochin are here and we can proceed against them.

Mr. A. V. Moothedan *(Chalakkudi)*: What was the opinion?

Rama Vamha Tampuan *(Secretary to Government)*: The opinion was that it cannot be done.

Mr. A. B. Salem *(Mattancheri)*: What was the question? Was not the Advocate-General here competent to say?

Rama Varmha Tampuan *(Secretary to Government)*: We had the opinion of the present Advocate-General and on a previous occasion we had the opinion of one of his predecessors also and the Government thought that reference to the Madras Advocate-General would be worth-while.

Mr. A. B. Salem *(Mattancherir)*: The question was whether the Cochin Government could sue him, where they should sue and in what form they should sue him.

LIBRARY ARCHIVES Kerala Legislative Assembly

Mr. M. Sivarama Menon *(Advocate-General)*: The question involved in the reference was whether another foreign State will enforce any claim for collection of the tax of any other State. It is not like ordinary cause of action. The question was whether we should sue him in British India, because he had assets somewhere in British India and the question arose as to whether such a suit would lie in British India on a cause of action which has arisen here for the collection of tax. No foreign State would enforce that. That is the English Law from time immemorial and that is the American Law also. Because there was difference of opinion between the Law officers of this Government, it was thought necessary and advisable that the opinion of the Advocate-General of Madras should be taken on that point.

Mr. A. B. Salem *(Mattancheri)*: What was the opinion of our Advocate-General here?

Mr. M. Sivarama Menon *(Advocate-General)*: That the suit cannot be maintained.

Mr. A. B. Salem *(Mattancheri)*: What was the opinion of the Madras Advocate-General?

Mr. M. Sivarama Menon *(Advocate-General)*: Same opinion, but because there was some difference of opinion between the Law officers, it became necessary to make a reference to the Madras Advocate-General.

Mr. T. P. Poulose *(Kanayannur)*: I do not quite follow how there was difference of opinion between the Law Officers of the State.

Mr. M. Sivarama Menon *(Advocate-General)*: On a previous occasion, there was the opinion that a suit can be instituted.

Mr. A. B. Salem *(Mattancheri)*: Why not approach the British Government and try to realise the tax.

Mr. M. Sivarama Menon *(Advocate-General)*: Unless there is reciprocal legislation, this claim cannot be enforced. The Courts have no jurisdiction.

Mr. A. B. Salem *(Mattancheri)*: That is about suing in Courts. Why not treat it just like revenue recovery. If some revenue is due to the British Government from some person who has come to Cochin State, don't we recover and give it to British Government.

Mr. M. Sivarama Menon *(Advocate-General)*: No.

Mr. A. B. Salem *(Mattancheri)*: Oh Yes. I know of instances.

Mr. T. P. Poulose *(Kanayannur)*: Which is that instance ?

Mr. A. B. Salem *(Mattancheri)*: There have been instances. Let the Secretary say no.

Rama Varmha Tampuran *(Secretary to Government)*: In some rare cases, in certain revenue matters certain references used to come occasionally. I do not know whether that will be parallel to a case like this.

Mr. T. P. Poulose *(Kanayannur)*: That is to say there is a reciprocal arrangement to collect tax due to the British Government.

Rama Vamha Tampuan *(Secretary to Government)*: Not exactly a reciprocal arrangement. It is only a question of persuasion, tried by amicable means, to recover the money. The duty would have been admitted and the party might be here. In that case, the Madras Government or any other Government elsewhere might write to us to see if the party could be met and if he could be persuaded to pay the money.

Mr. T. P. Poulose *(Kanayannur)*: May I know whether this Government would take any action, any coercive steps to recover the money.

Rama Varmha Tampuran *(Secretary to Government)*: Only by amicable means and not by coesrion.

Demand put and carried

4. Rs. 4,725 under "39—Miscellaneous—5-Standard Cloth"

Rama Varmha Tampuran *(Secretary to Government)*: Sir, I rise to move for an additional allotment of Rs. 4,725—under "39—Miscellaneous—5—Standard Cloth". This amount is required on account of the salary and allowances due to the staff employed to supervise the working of the standard cloth scheme, as also the general control schemes with regard to cloths and yarn. Additional staff had to be employed as we found that our control orders were more and more comprehensive and a definite executive supervision was necessary to check the actions of the licensed dealers. Therefore, this additional amount is required on that account.

Mr. C. J. Mathew *(Joint Secretary to Government)*: I second it.

Mr. A. B. Salem *(Mattancheri)*: What is the total number of yards of standard cloth that have come in ?

Rama Varmha Tampuran *(Secretary to Government)*: We have been allotted 4 and odd million yards of standard cloth, of which about 12,75,000 have been received.

Mr. P. Kumaran Ezhuthassan *(Vadakkancheri)*: Before I move my cut motion, Sir, I want to get the following information from the Government I should like to know what was the

LIBRARY ARCHIVES Kerala Legislative Assembly